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Counsel for Debtors

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re)	Case No. 16-31325
)	Chapter 11
WRAP MEDIA, LLC)	
)	
Debtor.)	

In re)	Case No. 16-31326
)	Chapter 11
WRAP MEDIA, INC.)	
)	
Debtor.)	

Status Conference

<input type="checkbox"/> Affects LLC)	DATE: September 14, 2017
<input checked="" type="checkbox"/> Affects Inc.)	TIME: 10:00 a.m.
<input type="checkbox"/> Affects BOTH DEBTORS)	JUDGE: Hon. Hannah L. Blumenstiel
)	COURT: 19

STATUS REPORT

COMES NOW Wrap Media, Inc. (the "Debtor") and presents this Status Report for the information of the Court and creditors in connection with its Status Conference set for hearing on July 20, 2017 at 11:00 a.m. before the Honorable Hannah L. Blumenstiel, United States Bankruptcy Judge, in her Courtroom No. 17 located on the 16th Floor of the Federal Building, 450 Golden Gate Avenue, San Francisco, California.

1 1. On December 10, 2016, the Debtor filed a voluntary petition for reorganization under
2 Chapter 11 of the Bankruptcy Code, initiating the above case. No Trustee has been appointed, and the
3 Debtor operates as Debtor in Possession pursuant to 11 U.S. C. Section 1101 *et seq.*

4 2. On April 6, 2017, the Court granted the Debtor's oral motion to convert the case (the
5 "Conversion Order").

6 3. On May 8, 2017, due to the pendency of a potential reorganization alternative, the Debtor
7 filed its Motion for relief from the Conversion Order; Dkt #44. The Debtor renewed its Motion on July
8 3, 2017; Dkt #61.

9 4. On July 11, 2017, the Court entered its Order relieving the Debtor of the conversion
10 ruling; Dkt #62.

11 5. InterPrivate, LLC has expressed interest in proposing a Plan of Reorganization in the
12 Debtor's case. As of the prior Status Conference, InterPrivate reported that the principal gating issues
13 had been successfully resolved, but a variety of detailed and specific issues remain to be resolved before
14 it could begin preparing a Plan of Reorganization.

15 6. On September 5, 2017, InterPrivate advised that all issues and impediments had been
16 resolved and that it expected to provide a draft Plan of Reorganization prior to the instant Status
17 Conference.

18 7. Thereafter, on September 8, 2017, InterPrivate advised that Ahmed Fattouh, who was
19 principally responsible for leading InterPrivate's efforts to prepare a Plan of Reorganization, and his
20 wife had both been admitted to the hospital, apparently for emergency surgery. InterPrivate advised that
21 this development would delay the Plan process perhaps 30 days, but that it did not expect the delay to
22 prove material.

23 8. As the Debtor previously reported, it has advised InterPrivate that if it wishes to go
24 forward with a reorganization, it must first fund a non-refundable deposit commensurate with the
25 administrative expenses associated with the reorganization process.

26 9. The Debtor believes that the estate will suffer no harm if the reorganization process is
27 further delayed. The only administrative claims likely to be accrued during that period are very limited
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1 attorney's fees. If InterPrivate goes forward with the reorganization process, the Debtor believes the
2 result will likely prove more favorable to creditors than a conversion.

3 WHEREFORE, the Debtor requests that the Court set a continued Status Conference as it deems
4 appropriate and grant such other and further relief as may be just and proper.

5 Respectfully submitted,

6 DATED: September 11, 2017

ST. JAMES LAW, P.C.

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8 By: /s/ Michael St. James.
9 Michael St. James
10 Counsel for Debtor
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